Shall the Measure, to fund homeless services and resources to address illegal dumping, and discourage vacant properties, by enacting a Vacant Property Tax on parcels used less than 50 days per year, at annual rates of $6,000 per parcel, $3,000 for condominium units, and other specified rates; raising about $10,000,000 annually for 20 years; with community oversight and exemptions for very low income, low-income seniors and hardship, be adopted?

The proposed measure would establish a new tax on real property that is vacant for 50 or more days in a calendar year. This would be a special tax, i.e., the City can use the revenue only for the purposes specified in the measure.

The tax rate would be $6,000 annually for vacant residential, nonresidential, and undeveloped properties, $3,000 annually for vacant condominium, townhouse, and duplex units, and $3,000 annually for ground floor commercial space parcels in use less than 50 days in a calendar year.

There would be a number of exemptions from the tax, including an exemption for very low-income households and for low-income seniors and individuals with disabilities; owners who can demonstrate that the tax would be a financial or other hardship; owners of properties being developed; and nonprofit owners.

The City can use the tax revenue only for the following purposes:

• to support a variety of identified services and programs for homeless people;
• to preserve existing affordable housing and produce new affordable housing;
• to provide code enforcement and cleanup of blighted properties and remedy illegal dumping; and
• to pay the City’s costs of administering the tax.

The measure would require that the City use at least 25% of the tax revenue for code enforcement and to eliminate blight and remedy illegal dumping. The measure would prohibit the City from levying and collecting the tax if it reduces general purpose fund spending on illegal dumping remediation below fiscal year 2016-2017 levels, except under certain specified conditions in the event of a severe and unanticipated financial or other event that prevents the City from maintaining general purpose fund spending on illegal dumping remediation at the 2016-2017 level.

The measure would establish a Commission on Homelessness to provide oversight and to make recommendations to the City Council regarding use of the revenue from the tax. The measure would require that the City Auditor perform regular audits to document revenue from the tax and to ensure that the City expends revenue only for authorized purposes.

The measure specifically authorizes the City Council to adopt ordinances for the implementation and administration of the tax. The measure allows the City to levy the tax no sooner than the 2020-2021 fiscal year. The tax would expire 20 years after the first year that the City levies the tax. A two-thirds vote in support is required to pass the measure.

s/BARBARA J. PARKER
City Attorney
The City of Oakland does not currently impose a tax specifically directed at vacant property. This measure would impose a special tax on vacant property in the City, and use the tax revenue solely for services and programs specified in the measure.

The tax rate would be $6,000 annually for vacant residential, nonresidential, and undeveloped properties, and $3,000 annually for vacant condominium, townhouse, and duplex units. Residential, nonresidential, and undeveloped parcels and condominium, townhouse, and duplex units would be treated as vacant if they are in use less than 50 days in a calendar year. The tax rate would be $3,000 for parcels where ground floor commercial activities are allowed if all of the ground floor commercial space is in use less than 50 days in a calendar year.

The measure provides a number of exemptions from the tax, e.g., exemptions for very low-income households; low-income seniors and individuals with disabilities; owners who can demonstrate that the tax would be a financial or other hardship; owners of properties being developed; and nonprofit owners.

The measure would authorize the City Council to adopt ordinances related to the implementation and administration of the measure, including any amendment that does not increase the tax rate. The ordinances could establish methods to identify vacant properties, restrict the tax to specific zones, expand the methods of collecting the tax and administering the exemptions, and provide a process for appeals.

Revenue from the tax would be placed in a restricted fund and could be used only for the purposes stated in the measure. Permitted uses include a variety of programs and services for homeless people, such as employment assistance, housing assistance, services and facilities for homeless encampments, relocation assistance, and navigation centers. Tax revenue also could be used to provide financial assistance for the development and maintenance of affordable housing. The measure also requires that the City use at least 25% of tax revenue each year for code enforcement and to eliminate blight and remedy illegal dumping. The measure would prohibit the City from levying the tax if the City’s General Purpose Fund expenditures on illegal dumping remediation are less than the amount expended in the 2016-2017 fiscal year, except under certain specified conditions. With some limits, tax revenue could be used to pay for the City’s costs of administering the measure.

The measure would create a new Commission on Homelessness. The Commission would review and make recommendations regarding the expenditures of tax revenue, and publish an annual report on implementation of the measure and the expenditure of tax revenue. The City Auditor would regularly audit the revenue from the tax and expenditure of funds.
CITY AUDITOR'S IMPARTIAL ANALYSIS OF MEASURE W

Summary

This Measure, if adopted by two-thirds of voters, authorizes the City of Oakland to collect an annual tax on vacant properties for twenty (20) years. The purpose of the Measure is to raise revenue primarily for homelessness services, preserve existing and fund new affordable housing options, and illegal dumping remediation. The tax would go into effect ten (10) days after the vote is declared by Oakland City Council, and be imposed no sooner than fiscal year 2020-21 for parcels vacant in the previous calendar year.

The revenue generated from this tax would be designated to a restricted fund to be used primarily for homeless services and for operations costs of the Commission on Homelessness, which would provide oversight for use of Measure revenue and specified tax administration costs. At least twenty-five percent (25%) of the revenue would be used to address blight and illegal dumping.

The Measure requires the City to maintain General Purpose Fund spending on illegal dumping remediation at least at the 2016-17 fiscal year level in order to collect the tax. In that year, the City's budget did not include any appropriations in the General Purpose Fund toward illegal dumping.

Proposed Measure tax rates vary by property type as shown below:

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Proposed Measure Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential, or Nonresidential, or Undeveloped</td>
<td>$6,000 per vacant parcel</td>
</tr>
<tr>
<td>Condominium, duplex, or townhouse unit under separate ownership</td>
<td>$3,000 per vacant residential unit</td>
</tr>
<tr>
<td>Parcel with ground floor commercial activity allowed, but vacant</td>
<td>$3,000 per vacant parcel</td>
</tr>
</tbody>
</table>

Property owners can request an exemption from this tax under certain circumstances including, but not limited to, income, age, disability and work in progress on the property.

At any time, the City Council may lower, but not increase the rates, and it may adopt new exemption categories, which may reduce anticipated City revenue.

Other Programs

Current spending on homelessness, affordable and transitional housing, infrastructure repairs, and illegal dumping is funded from various sources, including but not limited to, Measure KK (approximately $35 million annually), General Fund (approximately $4.6 million annually), state funds, and one-time expenditures the City makes.

Financial Impact

Based on factors such as property owner exemptions estimated to range from 60% to 75%, the City of Oakland Finance Department estimates annual revenue between $6.6 and $10.6 million.

Tax collection expenses specifically related to tax collection are capped at 15% of revenues collected.

The City's Finance Department estimates the annual cost to administer this Measure would be approximately $452,000, dedicated to staffing positions to support the Commission, tax administration, collection and enforcement fees. In addition, they estimate a one-time startup cost of $100,000 for financial database infrastructure, web development and mailing services.

Disclaimer

The Office of the City Auditor has not audited and, as such, has not validated the City of Oakland Finance Department's financial and statistical analysis of this Measure. References to this data in our independent analysis represent the best data available at this time.
**ARGUMENT IN FAVOR OF MEASURE W**

Oakland has been facing skyrocketing rates of homelessness, with numbers in our community increasing dramatically in recent years. This situation is causing widespread suffering, as people are living in difficult situations in underpasses and sidewalks, often without access to water, bathrooms.

At the same time, there are estimated to be at least 5,000 vacant properties in the City of Oakland, which can harm our community, attracting crime, blight and illegal dumping. Vacant properties take up space that could be used for housing and other purposes, thereby reducing jobs, homes, and revenue.

This Measure places an annual tax of up to $6,000 on vacant parcels in Oakland, other than those exempted. The exemptions include, non-profits, financial hardship, and circumstances that prevent the use of the property. Properties in use at least 50 days per year are not considered vacant and will not be taxed.

The money raised by the tax will be used to reduce homelessness, provide services to homeless people, and support the protection and production of affordable housing, and 25% of the funds will go towards remediating blight and illegal dumping.

This Measure establishes a Community Commission, to make recommendations and oversee the use of the funds, and to make sure the Measure is being properly implemented.

A wide range of organizations and community leaders endorse this Measure, including the Homeless Advocacy Working Group, Sustainable Economies Law Center, and Alameda County Supervisor Nate Miley.

We have an opportunity to reduce human suffering and improve quality of life by helping to solve homelessness and blight and encourage productive uses of properties. Please vote Yes to fund meaningful solutions to homelessness.

s/REBECCA KAPLAN  
Oakland Councilmember At-Large

s/JAMES VANN  
Oakland Homeless Advocacy Working Group

s/ABEL GUILLEN  
Oakland Councilmember

s/DAN KALB  
Oakland Councilmember

**REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE W**

Of all the poorly written, poorly thought through measures on the ballot, Measure W is one of the Worst.

Cynically, the proponents use homelessness and illegal dumping to garner support for a new tax measure, an astronomical $3,000 – $6,000 per property. Measure W was so poorly written it was rushed on the ballot without public input or debate.

There are no guarantees the new tax will be directed to homelessness or blight. In fact, many of the vacant blighted properties in Oakland are owned by the City or on public property, but politicians exempted the city.

Measure W purports to “reduce suffering and solve homelessness” but there is no plan, other than raising money. If a property (including a home or apartment) is vacant for any reason, the City will bill you up to $6,000 annually.

The “Community Commission” the proponents tout as making recommendations and overseeing the money are political appointees of the council members and there are no written guidelines or rules on how the money would be spent.

Measure W is a scam to increase revenue to the city to pay for pensions and a growing bureaucracy. Today the City of Oakland’s operating budget is a whopping $1.5 BILLION dollars a year -- an increase of almost $500 million in less than 10 years.

Since the City has no effective program to help the homeless, most of the funds will be spent on city bureaucracy with only a pittance spent on the homeless.

Vote NO on W.

s/VITO ESPOSITO  
Homeowner

s/HOMAYOUN GHADERI  
Homeowner

s/KAREN FRANCISCO  
Homeowner
ARGUMENT AGAINST MEASURE W

Vote NO on this confusing, poorly written, new tax—an astonishing $6,000 per home and $3,000 per condo.

Homelessness is a serious issue the City must address. But using this issue merely to pass a new tax is dishonest and unethical.

It’s clear from this proposal that our politicians have no plan to address homelessness. They know we want them to do something, but they have no answers.

Everywhere else, the politicians must come up with a solid proposal, run test programs, show us what they plan to do and how much it will cost.

Only in Oakland do they ask for more money first and then hope to come up with a coherent program to use it. Oaklanders are smarter than that!

By the City’s own admission, this tax will cost Oakland millions of dollars before they even collect a single cent.

There is no independent oversight and no commitment to use the money as promised. Elected officials can use the money for anything they want, including paying for Oakland’s growing bureaucracy.

We already have strict laws to force owners to fix blighted properties.

Why not enforce existing laws first?

Is this proposed tax about cleaning up the city, or is it simply a money grab?

The rules are complicated and poorly written. Property owners will be at the mercy of a confusing bureaucratic process just to decide what to do with their own property.

If the City wants more money to address homelessness, we want to first see a real plan based on what has worked in other cities. San Francisco has a variety of programs. Are they being tried in Oakland?

Homelessness is a serious issue the City must address.

This tax won’t do it!

Until serious studies are done and realistic plans proposed, vote NO!

s/GEORGIA W. RICHARDSON
Property Owner

s/VITO ESPOSITO
Homeowner

s/KAREN FRANCISCO
Homeowner

s/HOMAYOUN GHADERI
Homeowner

s/GRANT CHAPPELL
Homeowner

REBUTTAL TO ARGUMENT AGAINST MEASURE W

Our community faces a rising homelessness crisis, which is causing widespread human suffering, for those who are living in unsafe conditions like freeway underpasses, and for the surrounding community. We also face rising illegal dumping, which can attract and spread diseases. In order to be the healthy and compassionate community that matches our values, we must take action to solve these problems.

Part of the solution is providing dedicated funding, by passing the Vacant Property Tax, which devotes money to homeless services, affordable housing solutions, and to remedy blight and illegal dumping. The tax does NOT apply to homeowners in their home, but rather, is for properties that are not in use. Properties that are vacant tend to attract illegal dumping, crime, and other problems. People who rent out housing or who have a business on their property will not have to pay this tax.

The vacant property tax only applies to properties in use less than 50 days per year — so a property which hosts a once-per-week farmer’s market or other weekly event would not have to pay the tax. Neither would non-profits, and individuals for whom the tax is a hardship, and low-income seniors, are exempt.

The Measure includes an independent community oversight committee, to make sure the money is being spent properly, and to make recommendations for how best to solve homelessness and blight.

Please join us in voting yes, to help be part of the solution to these serious problems.

s/REBECCA KAPLAN
City Councilmember

s/JAMES E. VANN
Homeless Advocacy Working Group

s/DAMITA DAVIS-HOWARD
Clergy; East Oakland Resident

s/ABEL GUILLEN
City Councilmember
FULL TEXT OF MEASURE W

Section 1. Title.
This Ordinance may be referred to as the “Oakland Vacant Property Tax Act.”

Section 2. Purpose.
The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to support and fund services for homeless people and affordable housing, and related programs, described below. Because the proceeds of the parcel tax will be deposited into a special fund restricted for the services and programs specified in this Ordinance, the tax is a special tax.

Section 3. Code Amendment.
A new Chapter is hereby added to the Oakland Municipal Code to read as follows:

Chapter 4.56 Vacant Property Tax

Section 4.56.010 Definitions

"City" means the City of Oakland.

"Commission" means the Commission on Homelessness authorized by this Ordinance.

"County" means Alameda County.

"Heavily Impacted Neighborhoods" means the geographic area defined by the boundaries of 2010 Census Tracts 4007, 4008, 4009, 4010, 4014, 4015, 4016, 4017, 4018, 4022, 4024, 4025, 4026, 4027, 4030, 4033, 4057, 4053.02, 4054.01, 4054.02, 4055, 4056, 4058, 4059.01, 4059.02, 4060, 4061, 4062.01, 4062.02, 4063, 4064, 4065, 4071.01, 4071.02, 4072, 4073, 4074, 4075, 4076, 4077, 4085, 4086, 4087, 4088, 4089, 4090, 4091, 4092, 4093, 4094, 4095, 4096, 4097, 4102, 4103, 4104, and 4105. See Map (Attachment A) below.

"Mixed use parcel" means a parcel that is improved with both: i) at least one residential unit, and ii) uses other than a residential unit.

"Multifamily residential parcel" means all parcels that are improved with more than one residential unit.

"Owner" means the owner or owners of the real property located within the City of Oakland.

"Net General Purpose Fund budget for non-safety departments" means the total General Purpose Fund appropriation to the operating budgets of the non-safety departments, excluding expenditures that are offset by fees or other non-tax revenues.

"Nonresidential parcel" means all parcels that are improved with uses other than residential units.

"Non-safety departments" means all operating departments of the City, except police and fire.

"Parcel" shall mean a unit of real property in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.

"Residential parcel" means all parcels that are improved with one or more residential units.

"Residential unit" means a building or structure, or portion thereof, designed for or occupied exclusively by one household, including unrelated persons who live together and maintain a common household.

"Single-family residential parcel" means all parcels which are improved with only one residential unit.

"Tax" or “Oakland Vacant Property Tax” means the special tax authorized by this Ordinance.

"Undeveloped parcel" means all parcels, regardless of zoning or other land use designation, upon which no permanent improvements have been constructed or placed.

"Use" means the performance of a function or operation.

Section 4.56.020. Determination of Vacancy

A. For the purposes of this ordinance, a parcel of real property shall be deemed “vacant” and subject to the tax imposed by Section 4.56.030 below if the parcel is any of the following:

1. A parcel of land, whether undeveloped, residential (including multifamily residential), or non-residential, that is in use less than fifty (50) days during a calendar year.

2. A condominium, duplex, or townhouse unit under separate ownership that is in use less than fifty (50) days during a calendar year.

3. A parcel of land where ground floor commercial activities are allowed by the applicable zoning (with or without a use permit) or are a legal nonconforming use and all of the ground floor space that could be lawfully occupied by commercial activities is in use less than fifty (50) days in a calendar year.

B. The City Council shall establish, by ordinance, a method for determining and identifying the use and vacancy status of each parcel of real property in the City.

Section 4.56.030. Imposition of Parcel Tax on Vacant Property

A. A special tax in the amounts set forth below is hereby imposed on every vacant parcel of real property within the City, other than those exempted, as described below.

B. The tax constitutes a debt owed by the Owner of each parcel to the City.

C. Unless the City Council selects another method for collection of the tax, the County shall levy and collect the tax on each parcel of real property in the City for which the Owner receives a separate ad valorem property tax bill, at the same time and manner, and subject to the same penalties and procedures as ad valorem property taxes collected by...
the County except as otherwise set forth in this Ordinance.

D. If the City Council selects collection of the tax by the County, the tax shall be imposed on the ad valorem property tax bill for the fiscal year that begins July 1 following the end of the calendar year in which the parcel was vacant. The special tax shall first be imposed no sooner than the ad valorem property tax bill for fiscal year 2020-2021 for parcels that were vacant in the previous calendar year.

E. Tax Rates.

1. The maximum tax rates for each property type shall be as set forth in the table below. The City Council may lower, but not increase, the rates, and may by Ordinance adopt further categories of exemption. The City shall be responsible for assigning a tax rate for each parcel.

<table>
<thead>
<tr>
<th>PROPERTY TYPE</th>
<th>ANNUAL TAX RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$6,000 per parcel</td>
</tr>
<tr>
<td>Condominium, duplex, or townhouse unit under separate ownership</td>
<td>$3,000 per vacant residential unit</td>
</tr>
<tr>
<td>Nonresidential</td>
<td>$6,000 per parcel</td>
</tr>
<tr>
<td>Parcel with ground floor commercial activity allowed but vacant</td>
<td>$3,000 per parcel</td>
</tr>
<tr>
<td>Undeveloped</td>
<td>$6,000 per parcel</td>
</tr>
</tbody>
</table>

2. For parcels with multiple units, whether residential or non-residential, the parcel is not vacant if any unit on it is not vacant. A condominium, duplex, or townhouse unit under separate ownership is treated as a separate parcel for the purposes of this Chapter, and if it is vacant, is subject to the tax regardless of the status of any other unit on the same lot or that is part of the same development.

3. For parcels where ground floor commercial activities are allowed by the applicable zoning (with or without a use permit) or are a legal nonconforming use, if all of the ground floor space that could be lawfully occupied by commercial activities is vacant, then the parcel shall be subject to the tax regardless of whether any other portion of the structures on the parcel are occupied.

F. Real property otherwise wholly exempt from ad valorem tax by state law shall also be exempted from the tax imposed by this Ordinance.

G. Adjustment in Tax Rate

The City Council may, by resolution, establish an annual tax rate less than the maximum amount then authorized. Following any such decrease in the annual tax rate, the City Council may, by resolution, increase the annual tax rate to the maximum rate then permitted, or to any other amount less than the maximum rate then permitted, without obtaining voter approval.

H. For parcels divided by Tax Rate Area lines, the payment for the portion of the parcel within Alameda County shall be calculated at the same rates as set forth above. For properties wholly within Alameda County and divided by Tax Rate Area lines into multiple parcels, the property shall be taxed as a single parcel at the rates set forth above.

I. Imposition of Tax by Zones

The City Council may, by ordinance, establish zones or areas within the City and may restrict the levy of the tax to properties within the zones or areas established.

J. Exemptions

1. The following shall be exempt from the tax imposed by this Ordinance:

   a. An Owner who qualifies as very low-income, as the term “very low income” is defined by the United States Department of Housing and Urban Development.

   b. An Owner for whom the payment of the tax imposed by this Ordinance would be a financial hardship due to specific factual circumstances.

   c. An Owner whose property is vacant as a result of a demonstrable hardship that is unrelated to the Owner’s personal finances.

   d. An Owner who can demonstrate that exceptional specific circumstances prevent the use or development of the property. By way of example only and without limiting the generality of the foregoing, exceptional specific circumstances that prevent the use or development of property include property damage by a recent natural disaster, an undeveloped parcel adjoining a developed residential parcel and used by the occupants as part of the yard, and property with physical conditions that prevent development. The details of this exemption shall be further defined by separate ordinance of the City Council.

   e. An Owner of a property that is under active construction. To qualify for this exemption, an Owner must call for inspections of the construction with sufficient frequency to keep the building permit or permits active.

   f. An Owner of property for which an active building permit application is being processed by the City.

   g. An Owner (1) who is 65 years of age or older and (2) who qualifies as “low income,” as the term “low income” is defined by the United States Department of Housing and Urban Development.

   h. An Owner who, regardless of age, (i) receives Supplemental Security Income for a disability or (ii) Social Security Disability Insurance benefits, regardless of age and whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services.

   i. An Owner that is a non-profit organization or entity owned or controlled by a non-profit organization.

   j. An Owner of a parcel included in a substantially complete application for planning approvals that has not yet received approval. An Owner of a parcel for which a project with development entitlements have been approved but needing time for completion may apply for and receive an administrative two-year exemption.
2. The City Administrator’s Designee (which if not otherwise designated shall be the Finance Director) shall establish the procedures and guidelines for owners to apply for, and grant, the exemptions identified in this section. Owners who claim an exemption may be required to submit information annually to substantiate their continuing qualification for the exemption.

3. The City Council may, by ordinance, establish such other exemptions to the tax imposed by this Ordinance and the authorized methods of collection of the tax, as it determines to be appropriate.

4. The City Council may, by ordinance, provide supplemental definitions for the exemptions in this section and for the administration of the exemptions as part of the collection of the tax.

Section 4.56.040. Vacant Property Tax Fund

The “Vacant Property Tax Fund” (“Fund”) is hereby created as a special revenue fund. Proceeds from the Oakland Vacant Property Tax Act, including penalties and interest earned on such proceeds, shall be deposited into the Fund and used only for the purposes listed in Section 4.56.050.

Section 4.56.050. Use of Vacant Property Tax Act Revenue

A. Monies deposited in the Vacant Property Tax Fund shall be used solely for those purposes identified in this Section.

B. Tax funds may be used to provide services and programs to homeless people, to reduce homelessness, and to support the protection of existing and production of new housing affordable to lower income households as defined in California Health and Safety Code Section 50079.5 at an affordable housing cost or affordable rent as defined in Health and Safety Code Sections 50052.5 and 50053. Examples of such uses include, but are not limited to:

1. Job training, apprenticeship, pre-apprenticeship, drug treatment, and job readiness assistance programs for homeless people or those at risk of becoming homeless;

2. Assistance connecting homeless people or those at risk of becoming homeless with available services and resources, including assistance applying for housing or public benefit programs;

3. Housing assistance, including the provision of temporary housing or move-in expenses, such as first-month’s rent and a security deposit, and emergency rental assistance;

4. Sanitation, bathroom, and cleaning services related to homeless encampments, and programs to supplement remedying and deterring blight and illegal dumping throughout the City;

5. Incentive programs to encourage property owners to make space available for low-income housing, including making funds available for physical improvements to enable a unit to be used for a voucher-based housing program;

6. Relocation assistance funding for low-income households facing displacement;

7. Financial assistance for the design, development, construction or operation of affordable housing units, including housing alternatives such as, without limitation, shipping container homes, accessory dwelling units and small homes.

8. Accessibility support to provide or maintain housing, and make needed improvements for accessibility, for seniors and persons with disabilities; and

9. Displacement prevention, tenant education and assistance, emergency rent assistance; and

10. Navigation centers to provide space for people to stay, along with on-site support services for the homeless. Funding may be used for both capital and operating costs related to navigation centers; and

11. Code enforcement and cleanup of blighted vacant properties, other blight elimination, and remedying illegal dumping, including legal action to address any of the foregoing as necessary, no less than twenty-five percent (25%) of the revenue deposited into the Vacant Parcel Tax Fund in any single year shall be used to pay for the uses listed in this paragraph.

C. Monies in the Vacant Property Tax Fund may be used to pay the costs of audits of the use of monies in the Fund.

D. Monies in the Vacant Property Tax Fund may be used to pay for the City’s costs of the election required to obtain voter approval of the tax authorized by this Ordinance, including City Attorney costs to prepare this Ordinance and related documents. City Attorney costs shall be deposited in a Revenue account for sole use by the Office of the City Attorney.

E. Monies in the Vacant Property Tax Fund may be used to pay for the costs of administering the special tax, regardless of how or by what entity those administrative services are provided. No more than fifteen percent (15%) of the revenue deposited into the Vacant Parcel Tax Fund in any single year may be used to pay for such administrative costs, except that revenue used to pay for the costs of the Commission on Homelessness established by Section 4.56.060 shall not count toward the fifteen percent (15%). Notwithstanding the foregoing, the City shall be reimbursed for its actual costs of establishing the program for collecting the tax, which costs shall be confirmed by the City Auditor. Administrative costs include, but are not limited to:

1. The costs to the City of determining and identifying the use and vacancy status of every parcel in the City; 

2. The costs to the City associated with monitoring and enforcing compliance with this Ordinance. Authorized costs include, but are not limited to, any expenses, including attorneys’ fees, associated with any proceedings needed to enforce the requirements of this Ordinance;

3. The costs to the City associated with developing ordinances and regulations to implement this Ordinance;

4. The costs to the City associated with the operations of the Commission on Homelessness established by Section 4.56.060 of this Ordinance; and
5. Reimbursement to the County for the costs it incurs in collecting the tax.

F. If this Ordinance or the use of tax funds is legally challenged, tax funds may be used to reimburse the City for its costs of legal defense, including attorneys’ fees and other expenses.

Section 4.56.060. Commission on Homelessness

A. The Commission on Homelessness is hereby established for citizen oversight of the Oakland Vacant Property Tax.

B. The Commission shall meet at least four (4) times per fiscal year.

C. The Commission shall review relevant financial and operational reports related to the expenditure of the Homeless Services Fund. The Commission shall publish an annual report regarding how and to what extent the City Council and Mayor have implemented this Ordinance. Additionally, the Commission shall be requested to publish reports regarding the following: 1) recommendations from the Commission on how to prioritize the allocation of funds in accordance with the requirements of this Ordinance, including for: services and programs for homeless people, reduction of homelessness, and supporting the provision of Affordable Housing to households qualifying as at least low-income households; and 2) information, if available, concerning the impacts of this Ordinance on homelessness and illegal dumping outcomes in the City. The City Council may assign other duties to the Commission as provided for by Ordinance. Within 15 days of receipt of a Commission report, the City Administrator or designee shall cause the report to be published on the City’s Internet website and to be transmitted to the City Council. Any recommendations from the Commission on prioritization of funds in accordance with the requirements of this Ordinance shall be approved no later than February 1st for incorporation into the City budget for the following fiscal year, and such report shall be transmitted to the Council and public for informational purposes in the budget or as an informational report at the meeting at which the City Council appropriates funds generated by the Special Supplemental Business Tax.

D. The Commission shall consist of nine (9) members who are all residents of the City. No less than half of the members must be residents of Heavily Impacted Neighborhoods. No less than two members must be currently homeless, formerly homeless or low-income, as the term “low income” is defined by the United States Department of Housing and Urban Development. No less than three members must have professional expertise in, or be providers of, homeless services or housing. No less than one representative must have financial expertise. Members may fulfill more than one of these criteria for the purposes of meeting these requirements. City Council members shall make recommendations for members to the Mayor. Members of the Commission shall be appointed by the Mayor and confirmed by the City Council in accordance with City Charter section 601. Members of the Commission shall receive no salary for serving.

E. Members shall serve three (3) year terms, as provided for in this subsection. No member shall serve more than two (2) consecutive three (3) year terms. Of the initial members of the Commission, three (3) appointments shall be for one-year terms, three (3) appointments shall serve for two-year terms, and three (3) appointments shall serve for three-year terms. Thereafter, all terms shall be for three (3) years. All terms of members shall begin as of the date that six (6) members have been appointed, which is when the Commission may begin its work. All future terms shall begin and end on that date. A quorum of the Commission shall be a majority of appointed members, but shall never be fewer than three (3) members. A member may be removed for cause pursuant to City Charter section 601. Absence of three (3) consecutive regular meetings, or four (4) non-consecutive regular meetings during a single fiscal year, may constitute cause for removal from the Commission, in accordance with City Charter section 601.

F. The City Administrator or designee shall provide clerical assistance and administrative support and technical assistance to the Commission.

Section 4.56.070. Accountability

A. In accordance with the requirements of California Government Code Sections 50075.1 and 50075.3, the following accountability measures, among others, shall apply to the tax:

1. A separate, special account, referred to as the Vacant Property Tax Fund, shall be created, into which the proceeds of the tax must be deposited.

2. The specific purposes of the tax are for the funding of programs and services for homeless people, to reduce homelessness, and to support the provision of affordable housing and for as the other purposes set forth in Section 4.56.050 of this Ordinance. The proceeds of the tax shall be applied only to these specific purposes.

3. The Commission established by Section 4.56.060 shall perform the oversight functions listed in that Section to ensure that the revenue from the tax is spent solely for the purposes listed in Section 4.56.050.

4. The City Auditor shall perform regular audits to ensure accountability and proper disbursement of all revenue collected by the City from the tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of California law.

B. The City’s current General Purpose Fund expenditures for illegal dumping remediation may not be replaced by this tax. For any year during which this tax is in effect, if the City’s General Purpose Fund expenditures on illegal dumping remediation are less than the amount expended in the 2016-2017 fiscal year, this tax shall not be levied and collected. In the event that a severe and unanticipated financial or other event occurs that so adversely impacts the General Purpose Fund as to prevent the City from budgeting for and maintaining the level of General Purpose Fund expenditures on illegal dumping remediation at the fiscal year 2016-2017 level, then the tax may nevertheless be levied and collected, if both of the following two conditions are
met: (1) The City’s reduction to General Purpose fund illegal dumping remediation expenditures is no more than the same proportion of reduction that is imposed on the City’s net General Purpose Fund budget for non-safety departments; and (2) The City Administrator submits a report to the City Council explaining the severe and unanticipated event, the steps that were taken by the City to avoid the need to reduce General Purpose Fund expenditures on illegal dumping remediation, and the steps that will be taken by the City in the future to restore the fiscal year 2016-2017 level of General Purpose Fund expenditures on illegal dumping remediation. Such actions must be taken for each fiscal year in which the City fails to meet the level of General Purpose fund illegal dumping remediation spending required by this paragraph. Following any General Purpose Fund reduction in illegal dumping remediation from the 2016-2017 fiscal year level and for the tax to be levied in any subsequent year, the level of General Purpose Fund expenditures on illegal dumping remediation must be increased proportional to the increases in the non-safety departments’ net General Purpose Fund budgets up to at least the fiscal year 2016-2017 level of General Purpose Fund expenditures on illegal dumping.

Section 4. Severability.
Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 5. California Environmental Quality Act Requirements.
The City Council hereby determines that this Ordinance is not in-and-of-itself a “project” pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq., including without limitation CEQA Guidelines 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the adoption of the ordinance itself may have a significant effect on the environment. To the extent that vacant property tax revenues generated by the Ordinance may in the future be used to fund the construction of capital improvements, the Ordinance may assist in the financing of future “projects” that will be subject to environmental review pursuant to CEQA at the “earliest feasible time” prior to “approval” consistent with CEQA Guidelines Sections 15004 and 15352.

Section 6. Approval; Effective Date.
This Ordinance, and all the provisions thereof, shall become effective only upon affirmative passage by a two-thirds majority vote of the voters voting on the Ordinance. This Ordinance shall be considered adopted on the date that the City Council declares the results of the election at which it was voted upon and shall be effective ten days thereafter.

Section 7. Council Amendments.
This Ordinance may only be amended by a vote of the people if the amendment would result in the special tax being imposed, extended, or increased in a manner not authorized by this Ordinance as originally approved by the voters. The City Council of the City of Oakland is hereby authorized to amend Chapter 4.56 of the Oakland Municipal Code as adopted by this Ordinance in any manner that does not increase the tax rates, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

Section 8. City of Oakland Vacant Property Tax Collection Law.
The City shall collect the tax pursuant to rules and procedures established by the Vacant Property Parcel Tax Collection Law.

Section 9. Expiration of Tax.
This Ordinance shall expire 20 years after it is first levied. By way of example only and without limiting the generality of the foregoing, if the tax were first levied in the 2020-21 tax year, the 2040-41 tax year would be the last year in which it may be levied. The voters of the City of Oakland may amend the term of the tax at any time prior to its expiration.